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SENSITIVE

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SUBJECT: MONTENEGRO RETURNS RULING COALITION TO POWER

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Ref: Belgrade 1421

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11. (U) Summary: Unofficial preliminary election results for the Sunday Republic-wide parliamentary elections show the ruling DPS/SDP coalition holding on to power with 41 of parliament's 81 seats, an absolute majority. Official results will be released on September 12. Former Leader of the Opposition Predrag Bulatovic's SNP-NS-DSS coalition stumbled, and now has 11 seats to the Serbian List's 12. Serbian List head Andrija Mandic of the Serbian People's Party (SNS) looks to become Opposition Leader; his major coalition partner was the Radical Party, nominally led by war crimes indictee Vojislav Seselj. Two-third's of Montenegro localities also held elections. The Government is expected to announce Ministers later this week, but Milo Djukanovic will remain as Prime Minister. The OSCE/ODIHR monitoring mission said September 11 that the vote was "generally in line with international standards." summary.

Moderate Turn-out Confirms Government in Power

- 12. (U) Voter turn-out was around 70 percent, below the turnout for past parliamentary elections and below the high 85.8 percent turn-out for the May 21 referendum vote on independence. Seventy-six of 81 seats were contested Republic-wide, with five seats "set aside" for Albanian-majority districts. (In the last, October 2002, election 75 MPs were elected, of which four were from "Albanian" districts.) Twelve coalitions and parties contested the election.
- ¶3. (U) The Republican Election Commission has delayed announcing official preliminary results until September 12. The independent NGO Center for Democratic Transition (CDT) projected allocations of the 81 mandates, based on its sample of 200 of 1,047 polling places; they believe their projection is accurate to plus or minus one percent, and the mandate allocations that follow are those projected by CDT. Official results and mandate allocations may vary slightly from these projections
- 14. (U) PM Milo Djukanovic's Democratic Party of Socialists (DPS) and the Social Democratic Party (SDP) won 41 of parliament's 81 seats, including one "Albanian" seat. (In 2002, the Government won 39 of 75 seats, including 2

Albanian seats.) The three leading opposition groups split 34 seats, up from 30 in 2002. The Serbian List, led by Serbian People's Party (SNS) and Andrija Mandic, won 12 seats, displacing the Socialist People's Party (SNP) and its leader, Predrag Bulatovic. SNP's coalition with People's Party (NS) and Democratic Serbian Party (DSS) now has 11 seats.

#### Newcomers and Albanians

15. (U) The Movement for Change (PzP), led by Nebojsa Medojevic picked up 11 seats in its first campaign. The Liberals, which suffered dissension and defections in the last two years, allied with the new Bosniak Party to get two seats (down from the four won by the Liberals in 2002). Two "Albanian" seats returned to the Democratic League in Montenegro (DSCG) and to the Democratic Union of Albanians - one each to current MPs Mehmet Berdhi and Ferhat Dinosa. The other Albanian seats went to new parties "Albanian Alternative", based on Tuzi near Podgorica, and probusiness party "Forca" in Ulcinj.

## Opposition Changes Hands

16. (SBU) Polls (ref) had shown SNP-NS-DSS as winning 15 seats, the Serbian List only 8. Instead, four seats appear to have shifted from SNP to the Serbian List. Long-time opposition leader Predrag Bulatovic, never a popular politician, may exit the scene after the relative defeat. That will enhance the position of Andrija Mandic, who as President of the Serbian People's Party (SNS) headed the Serbian List. Mandic is a Serb nationalist, but not as extreme as his major coalition partner, Vojislav Seselj's Radicals (the only party to exist both in Serbia and in Montenegro). Party leaders can choose one-half of their

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MPs from anywhere on the party list; with a number of notorious Karadzic and Milosevic supporters on the Serbian List, Mandic's picks bear close attention. The new opposition party, Movement for Changes (PzP), appears to have drawn its vote largely from pro-Union supporters who otherwise might have voted for SNP (or SNS), and from pro-independence Liberal voters, leaving the core of DPS and SDP voters untouched.

## Local Government

17. (U) Two-thirds of Montenegro's 21 municipalities also held elections on September 10. In Podgorica, incumbent DPS mayor Miomir Mugusa won handily, outpolling both his opponents combined. He will also enjoy a bare but absolute majority in the city council: 28 DPS/SDP councilors to 27 divided among SNP-NS-DSS, Serbian List, and PzP.

# Cabinet Expected Soon

¶8. (SBU) PM Djukanovic is expected to recommend his new cabinet to his party ally President Vujanovic soon, perhaps later this week. Post expects a number of changes, but Djukanovic has kept his cards very close, particularly as to key positions such as Defense Minister and Foreign Minister.

#### OSCE/ODIHR, CoE Statement

19. (U) International observers said the elections were held largely in line with OSCE commitments and Council of Europe standards for democratic elections, but several reappearing challenges remain to be addressed. They noted the campaign

was for the most part calm, orderly and low-key, but the campaign climate deteriorated during the last days. They said the legal framework provides an adequate basis for the conduct of elections, but contrary to international standards and practice, the Election Law was amended after the elections were called. Some of the amendments included limitations on freedom of speech and expression (some limitations were struck down by the Constitutional Court before the vote). Furthermore, the mandate allocation is not fully transparent, as it only requires parties to allocate half of the seats according to the order of candidates on the electoral list. Some 200 observers from 41 countries monitored the vote and the count. Election day was assessed positively in 98 per cent of polling stations visited.

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